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KUALA LUMPUR: An increased role for auditors when assessing a company in their reports especially when scrutinising public listed companies was discussed at the International Auditing and Assurance Standards Board (IAASB) Roundtable here.

The reason for this, as the IAASB stated in its presentation was due to the global economic challenges which needed the auditor's report to be more informative to users and the increased complexity in financial reporting which required "creative solutions."

Among suggestions discussed was the introduction of the Auditor's Commentary section aimed at improving the communicative value of the auditor's report.

IAASB deputy chair Dan Montgomery stated in his presentation that the Auditor's Commentary aimed to highlight matters that, in the auditor's judgement, could be the most important to users' understanding the audit.

Another type of measure discussed at the roundtable titled 'Improving the Auditor's Report' here and attended by both local and international accounting firms were new type of reporting requirement for all auditor's reports to make explicit the auditor's objectives and work effort required by the auditing standard.

IAASB member Merran Kelsall, in her presentation, said that a statement was also needed to include whether, based on the audit work performed, material uncertainties related to events or conditions that might cast significant doubt on the entity's ability to continue as a going concern had been identified.

A third measure discussed at the roundtable yesterday was to require the identifica-

tion of the engagement partner responsible for the audit of which proponents say would provide the partner with greater sense of "personal accountability."

According to the IAASB technical director James Gunn in his presentation, an explicit statement was also needed about the auditor's compliance with relevant ethical requirements and a fuller description about the auditor's responsibilities relating to fraud, internal control, accounting policies, financial statement disclosures and accounting estimates.

Member of the Malaysian Institute of Accountants, Auditing and Assurance Standards Board and the managing partner at Ernst & Young Sukanta Dutt who was one of the attendees at the roundtable told StarBiz that the discussion was aimed to include an "expanded narrative that we consider important for the purposes of the audit and to convey unto the users as well."

Asked whether these measures would make it too strict for auditors to conduct their job, Dutt said:

"I don't think strict is the first word that comes to mind, I think it really because there is a demand from users and the question is how the auditors can meet that demand in a balanced way."

Partner at PricewaterhouseCoopers Hans Koopmans who was also present said that these discussions were held to ensure the auditing profession remained relevant in the present world.

The IAASB has gone through two stages so far since 2006 with these proposals: the research & consultation and the commencement of standard setting stages.